BILL REQUEST - CODE REVISER'S OFFICE

S-4838.2/06 2nd draft BILL REQ. #:

ATTY/TYPIST: SCG:seg

BRIEF DESCRIPTION: Regarding water resource management in the Columbia river basin.

- 1 AN ACT Relating to water resource management in the Columbia river
- 2 basin; amending 2005 c 488 s 332 (uncodified); adding a new chapter to
- 3 Title 90 RCW; making appropriations; and providing an effective date.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 <u>NEW SECTION.</u> **Sec. 1.** (1) The legislature finds that state water
- 6 resources management in the Columbia river basin must immediately
- 7 initiate the development of new water supplies to meet the economic and
- 8 community development needs of people and the instream flow needs of
- 9 fish.
- 10 (2) The legislature therefore declares that a Columbia river basin
- 11 water supply development program is needed, and directs the department
- 12 of ecology to aggressively pursue the development of cost-effective
- 13 water supplies to benefit both instream and out-of-stream uses.
- 14 <u>NEW SECTION.</u> **Sec. 2.** (1) To support the development of new water
- 15 supplies in the Columbia river, the department of ecology shall work
- 16 with all interested parties, including but not limited to, interested
- 17 watershed planning groups working adjacent to the Columbia river and

- 1 tribal governments, to develop a Columbia river water supply inventory.
- 2 The inventory must include:

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- 3 (a) A list of potential conservation and storage projects in the Columbia river basin;
 - (b) Estimates of project costs and benefits;
- 6 (c) A ranking of projects from the least expensive per acre-foot to 7 the most expensive per acre-foot;
- 8 (d) A ranking of projects from the most beneficial to fish and 9 other instream values to the least beneficial to fish and other 10 instream values; and
- 11 (e) A ranking of projects from the most beneficial to agriculture 12 to the least beneficial to agriculture.
- 13 (2) The Columbia river water supply inventory should consider 14 long-term trends in water supply and demand, rely on existing project 15 data already completed by local planning groups, and supplement 16 existing information as necessary to develop a useful inventory.
- 17 (3) The department of ecology shall complete the first Columbia 18 river water supply inventory by November 15, 2006, and shall update the 19 inventory annually thereafter.
- NEW SECTION. Sec. 3. (1) New water supplies developed and secured through the operation or development of storage facilities made possible with funding from the Columbia river basin water supply account shall be allocated as follows:
- 24 (a) Two-thirds of active storage shall be allocated to 25 out-of-stream uses; and
 - (b) One-third of active storage shall be placed in the state trust water rights program to enhance instream flows. The timing of releases of this water shall be determined in cooperation with the department of fish and wildlife to maximize benefits to salmon and steelhead populations.
 - (2) The one-third/two-thirds allocation of water resources between instream and out-of-stream uses that is established in this section shall not be applied by the department of ecology when considering applications for changes or transfers of existing water rights in the Columbia river basin.
- 36 (3) The department of ecology shall focus its efforts to develop 37 water supplies for the Columbia river basin on the following needs:

- 1 (a) Alternatives to ground water for farmers in the Odessa subarea 2 aquifer;
 - (b) Sources of municipal water supply for pending water right applications;
 - (c) A new uninterruptible supply of water for the holders of interruptible water rights on the Columbia river mainstem that are subject to instream flows or other mitigation conditions to protect stream flows; and
- 9 (d) New municipal, domestic, industrial, and irrigation water needs 10 within the Columbia river basin.
- (4) The department of ecology shall monitor and evaluate the new 11 water allocated to instream use under this section and section 5 of 12 13 this act, in order to identify the maximum streamflow that is beneficial to aquatic life. The department shall submit a decadal 14 report to the appropriate committees of the legislature that identifies 15 how much new water has been dedicated to instream uses and how close 16 17 the Columbia river basin is to reaching the maximum beneficial flow during the times of the year with the lowest flow levels. 18
- NEW SECTION. Sec. 4. (1) In order to implement the Columbia river basin water supply development program, the department of ecology may enter into voluntary regional agreements that establish conditions under which water withdrawn from the Columbia river may be approved. These agreements shall pertain to specific geographic areas and to individuals or entities that use or propose to use water from the Columbia river mainstem.
 - (a) Voluntary regional agreements based upon conserved water are authorized. Conserved water shall be allocated in a manner that concurrently ensures that:
 - (i) Water is provided for out-of-stream uses; and
- 30 (ii) No reduction in stream flows in the Columbia river mainstem 31 will occur as a result of the new appropriation of water.
 - (b) Applicants under a voluntary regional agreement must demonstrate efficient water use practices.
- 34 (c) Voluntary regional agreements based upon accessing water 35 supplies from new or existing storage facilities shall be implemented 36 consistent with the requirements of section 3 of this act. Applicants

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- under a voluntary regional agreement must demonstrate efficient water use practices.
 - (2) The mitigation standards established in this section are intended to streamline issuance of new water rights from the Columbia river.
 - (3)(a) Before entering into a voluntary agreement under this section, the department of ecology must:
 - (i) Consult with the department of fish and wildlife and watershed planning groups regarding the benefits that the voluntary agreement can produce for fish and wildlife species and other instream values on the Columbia river mainstem; and
 - (ii) Provide a thirty-day public review and comment period for a draft agreement, and publish a summary of any public comments received. The thirty-day review period shall not begin until after the department of ecology has concluded its consultation with the department of fish and wildlife and the appropriate watershed planning groups.
 - (b) To meet its responsibility under this section, the department of fish and wildlife shall consult with fisheries comanagers and shall inform the department of ecology of the recommendations of fisheries comanagers. The department of fish and wildlife shall provide comments, including the recommendations of fisheries comanagers, to the department within thirty days following receipt of a draft agreement for review.
 - (4) The department may enter into voluntary regional agreements when the points of diversion of any permits issued under an agreement would be located on the Columbia river mainstem or rely upon ground water within one mile from the river. Agreements are authorized from the Canadian border downstream to the Bonneville dam.

29 <u>NEW SECTION.</u> **Sec. 5.** Conserved water funded by the state:

- (1) To benefit the Columbia river mainstem shall be permanently held in trust in proportion to the share of funding provided by the state to complete the project. Water held in trust under this section shall be used to improve instream flows for the benefit of fish and other instream values;
- 35 (2) Developed within the federal Columbia basin reclamation project 36 shall become a portion of the project water supply to be used to

- replace deep well irrigation within the Odessa ground water management subarea and to reduce water diversions from the Columbia river.
 - <u>NEW SECTION.</u> **Sec. 6.** (1) By July 1, 2006, the department shall convene discussion groups, including all appropriate stakeholders, to consider and make recommendations on the following issues:
 - (a) The public interest in regional equity regarding the sources of water supplies and mechanisms, to determine whether interregional water transfers jeopardize the economic health of any region or tributary basin. The review must also consider mechanisms that might provide for water supplies in other regions while retaining the water right in the region of the water source;
 - (b) Before the end of the legislative session immediately following the completion of the review in (a) of this subsection, the department shall hold in abeyance any and all of its efforts to permanently acquire existing water rights for the purposes of transferring those rights to a downstream user in the Columbia river basin as a source of water supply or mitigation. This moratorium shall be limited to water rights physically located upstream from John Day dam; and
 - (c) Whether a water bank for the Columbia river mainstem would simplify and improve the approval of water acquisitions, leases, loans, and exchanges; reduce the time and costs associated with such transactions; and increase the availability of water supplies and water-related information.
 - (2) Reports from the reviews under this section are due to the appropriate committees of the legislature by December 31, 2006.
 - NEW SECTION. Sec. 7. (1) The Columbia river basin water supply account is created in the state treasury. The account may receive direct appropriations from the legislature and receipts of payments made by water users that are based on an appropriate and economically viable share of construction, operation, and maintenance costs of water supply projects. For the biennium ending June 30, 2007, the sum of fifty million dollars is appropriated from the state building construction account to the department of ecology for deposit into the Columbia river basin water supply account.
- 35 (2) Expenditures from the Columbia river basin water supply account 36 may be used to assess, plan, and develop new storage, improve or alter

- operations of existing storage facilities, implement conservation projects, or other actions, designed to provide access to new water supplies within the Columbia river basin for both instream and out-of-stream uses.
 - (3) The department of ecology shall manage any appropriations made from the account for the purposes of developing water supplies in a manner that yields the greatest benefits to the state while minimizing associated costs.
 - (4) The account is subject to legislative appropriation.
- 10 (5) Interest earned by deposits in the account will be retained in the account.
- NEW SECTION. Sec. 8. (1) To establish a more complete understanding of current water uses, the department of ecology shall compile, and if necessary collect, all existing information and publish data on:
 - (a) The total aggregate quantity of water issued under state permits and certificates and filed under state claims on the Columbia river mainstem and for ground water within one mile of the mainstem;
- 19 (b) The total aggregate volume of current water use under these 20 rights as metered and reported by water users;
- 21 (c) The aggregate quantity of water that is currently inchoate or 22 under development under these rights;
 - (d) Conservation projects that have been implemented under this chapter and the amount of water conservation they have achieved; and
- (e) Other relevant water use data.
- 26 (2) The department of ecology shall collect this data annually and 27 publish it on the department's web site no later than November 1st of 28 each year.
- 29 **Sec. 9.** 2005 c 488 s 332 (uncodified) is amended to read as 30 follows:
- 31 FOR THE DEPARTMENT OF ECOLOGY

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- 32 Columbia River Initiative (06-2-010)
- 33 The appropriation in this section is subject to the following 34 conditions and limitations:
- 35 (1) \$6,000,000 is provided solely for feasibility studies related

to off-mainstem storage projects and impacts of changing operations at the Potholes reservoir, and grant funding for the purchase and installation of water measuring devices.

(2) Of the amount appropriated in this section, \$10,000,000 ((may 4 not be expended prior to enactment of state legislation that 5 establishes the policy requirements for a new water resources and water 6 rights management program for the Columbia river mainstem. If such 7 8 legislation is not enacted prior to June 30, 2006, this amount shall lapse)) is provided to begin implementation of the Columbia river basin 9 water supply development program in sections 3 through 8 of this act. 10 Within this amount, the department shall support, to the extent that 11 projects are ready to proceed and to the extent that resources allow, 12 the following water supply projects, including, but not limited to: 13 Storage development or storage enhancement projects, projects that 14 provide surface water supply for the Odessa subarea within the 15 boundaries of the Columbia river basin project, projects which enhance 16 water supplies for the Walla Walla and Yakima rivers through exchanges 17 and other methods, and investments resulting in water use efficiency. 18 The department shall report progress under this section to the 19 20 appropriate committees of the legislature by December 1, 2006.

21 Appropriation:

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22	State Building Construction AccountState	\$16,000,000
23	Prior Biennia (Expenditures)	\$0
24	Future Biennia (Projected Costs)	\$52,610,000
25	TOTAL	\$68,610,000

NEW SECTION. Sec. 10. Sections 1 through 8 of this act constitute a new chapter in Title 90 RCW.

NEW SECTION. Sec. 11. This act takes effect July 1, 2006.

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